MAR 27 2013

PUBLIC SERVICE COMMISSION

LG&E and KU Energy LLC

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PPL companies

Kyle Willard
Director of Engineering
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

March 27, 2013

RE: <u>An Investigation of the Reliability Measures of Kentucky's Jurisdictional Electric Distribution Utilities and Certain Reliability Maintenance Practices</u> - Administrative Case No. 2006-00494

Dear Mr. Willard:

Enclosed please find Louisville Gas and Electric Company's and Kentucky Utilities Company's 2012 Annual Reliability Report pursuant to the Commission's Order dated October 26, 2007 in the above referenced matter.

Should you have any questions concerning the enclosed, please contact me at your convenience.

Sincerely,

Rick E. Lovekamp

Rick E. Lovekan

KENTUCKY PUBLIC SERVICE COMMISSION

| | Electric Distribution | n Utility Annual | Reliability Report |
|--|-----------------------|------------------|--------------------|
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| Electric Distribution Office Affidat Nellability Neport | | | | | |
|--|--------------------------|---|--|--|--|
| MAR 2 7 2013 SECTION 1: CONTACT INFORMATION | | | | | |
| UTILITY NAME REPORT PREPARED BY E-MAIL ADDRESS OF PREPARER PHONE NUMBER OF PREPARER | 1.1 1.2 1.3 1.4 | PUBLIC SERVICE Louisville Gas and Electric CompanySSION Nelson Maynard, Director Reliability nelson.maynard@lge-ku.com 859-367-1107 | | | |
| SECTION | 2: REPO | RT YEAR | | | |
| CALENDAR YEAR OF REPORT | 2.1 | 2012 | | | |
| SECTION 3: | MAJOR E | VENT DAYS | | | |
| | | | | | |
| T_MED | 3.1 | 5.562 | | | |
| FIRST DATE USED TO DETERMINE T _{MED} | 3.2 | 1-Jan-07 | | | |
| LAST DATE USED TO DETERMINE T_{MED} | 3.3 | 31-Dec-11 | | | |
| NUMBER OF MED IN REPORT YEAR | 3.4 | 6 | | | |
| NOTE: Per IEEE 1366 T _{MED} should be calculated using the daily SAIDI values for the five prior years. If five years of data are not available, then utilities should use what is available until five years are accumulated. SECTION 4: SYSTEM RELIABILITY RESULTS Excluding MED | | | | | |
| SAIDI | 4.1 | 97.11 | | | |
| SAIFI | 4.2 | 1.153 | | | |
| CAIDI | 4.3 | 84.24 | | | |
| Including MED (Optional) | | | | | |
| SAIDI | 4.4 | 150.91 | | | |
| SAIFI | 4.5 | 1.443 | | | |

Notes:

1) All duration indices (SAIDI, CAIDI) are to be reported in units of minutes.

CAIDI

- 2) Reports are due on the first business day of April of each year
- 3) Reports cover the calendar year ending in the December before the reports are due.

4.6

4) IEEE 1366 (latest version) is used to define SAIDI, SAIFI, CAIDI, and $T_{\mbox{\scriptsize MED}}$

104.61

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SECTION 5: OUTAGE CAUSE CATEGORIES Excluding MED

| CAUSE CODE DESCRIPTION | | SAIDI VALUE | CAUSE CODE DESCRIPTION | | SAIFI VALUE |
|---------------------------|--------|----------------|---------------------------|--------|----------------|
| Animal | 5.1.1 | 5.02 | Animal | 5,2.1 | 0.074 |
| Construction | 5.1.2 | 0.25 | Construction | 5.2.2 | 0.017 |
| Lightning | 5.1.3 | 11.21 | Lightning | 5.2.3 | 0.091 |
| Non-Company | 5.1.4 | 1.30 | Non-Company | 5.2.4 | 0.026 |
| Unknown | 5.1.5 | 18.51 | Unknown | 5.2.5 | 0.315 |
| Overload | 5.1.6 | 0.29 | Overload | 5.2.6 | 0.004 |
| Planned Work | 5.1.7 | 9.27 | Planned Work | 5.2.7 | 0.132 |
| Trees | 5.1.8 | 17.48 | Trees | 5.2.8 | 0.108 |
| Utility Equip | 5.1.9 | 28.28 | Utility Equip | 5.2.9 | 0.338 |
| Vehicle | 5.1.10 | 5.50 | Vehicle | 5.2.10 | 0.049 |

SECTION 6: WORST PERFORMING CIRCUITS

| CIRCUIT IDENTIFIER BK0002 BK0001 MD1457 AL1442 VE0003 CR1421 MK1299 MC1262 SM1360 AL1444 | 6.1.1 6.1.2 6.1.3 6.1.4 6.1.5 6.1.6 6.1.7 6.1.8 6.1.9 6.1.10 | SAIDI VALUE 853.45 851.17 700.32 657.76 577.21 533.09 528.16 453.08 438.50 432.15 | MAJOR OUTAGE CATEGORY Utility Equipment Utility Equipment Lightning Trees Trees Planned Work Trees Trees Vehicle Lightning |
|--|---|--|---|
| CIRCUIT IDENTIFIER SM1360 AK1290 MD1457 MK1299 LO1193 NA1266 FV1477 FV1476 CF1204 CY1481 | 6.2.1 6.2.2 6.2.3 6.2.4 6.2.5 6.2.6 6.2.7 6.2.8 6.2.9 6.2.10 | SAIFI VALUE 7.826 6.952 5.842 5.431 5.029 4.448 4.271 4.215 4.199 3.903 | MAJOR OUTAGE CATEGORY Utility Equipment Utility Equipment Vehicle Trees Utility Equipment Utility Equipment Non-Company Utility Equipment Utility Equipment Utility Equipment Utility Equipment |

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Additional pages may be attached as necessary SECTION 7: VEGETATION MANAGEMENT PLAN REVIEW

The Companies' Vegetation Management Plan was submitted December 19, 2007 and is referenced to the Reliability Report submitted April 1, 2008. The Distribution Vegetation Management Program encompasses right of way maintenance for Louisville Gas and Electric Company and Kentucky Utilities Company (referred to as the "Companies"). The program is centralized and managed by a Forestry Manager and eight company Utility Arborists. All are certified arborists by the International Society of Arboriculture.

The Companies' plan is to maintain a proactive trim cycle while balancing the reactive needs of worst performing circuits. The Companies' goal is to maintain an average trim cycle of five years or less. The effectiveness of the plan is evaluated by the cycle, system performance as measured by system SAIDI, SAIFI, and CAIDI.

Effectiveness of the program:

LG&E / KU Tree Cycle - 4.87 years. LG&E Tree SAIDI - 17.48 minutes LG&E Tree SAIFI - 0.108 LG&E Tree CAIDI - 161.85 minutes

The hazard tree program, mid cycle, herbicide, and worst performing circuits were completed as planned. Tree related SAIDI and SAIFI improved in 2012 compared to 2011. Tree CAIDI increased due to improvement in Tree SAIFI.

Adjustments made to the tree plan in 2012 included:

No changes made to plan.

Changes to be implemented in 2013:

No changes made to plan.

SECTION 8: UTILITY COMMENTS

Overall SAIDI and SAIFI increased in 2012 compared to 2011 due to weather related events. CAIDI improved in 2012 over 2011. The top 10 Worst Performing Circuits for SAIDI and SAIFI have been evaluated for deficiencies. Corrective action was either completed in 2012 or planned and scheduled to be completed in 2013.